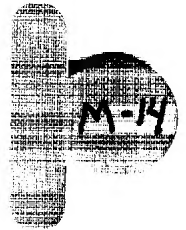


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EIC-M-14
7 April 1952
CIA No. 434189

SECURITY INFORMATION

Economic Intelligence Committee

Minutes of Meeting held in
Room 2101, Temporary "M" Building
26th and Constitution Avenue, N. W.

27 March 1952

PRESENT:

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[REDACTED] CIA, Chairman
Mr. Robert Amory, Jr., CIA
25X1A9a [REDACTED], CIA, Secretary
Mr. Edward Doherty, State
Mr. Howard Wiedemann, State
Mr. John Kullgren, Army
Cdr. Donald C. Deane, Navy
Dr. James T. Lowe, Air
Mr. Paul Ledet, Air
Col. H. G. V. Hart, JCS
Cdr. Kelso Daly, JCS
Mr. Edward Dennison, Commerce

APPROVAL OF MINUTES

1. Action: The minutes of the Economic Intelligence Committee meeting of 5 March 1952 (EIC-M-13) were approved.

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REPORT ON COMPLETION OF [REDACTED] CONFERENCE ON "THE STATUS AND EFFECTIVE-
NESS OF TRADE CONTROLS AGAINST COMMUNIST CHINA" (EIC-R-1)

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2. Action: Cdr. Daly, JCS, and [REDACTED] CIA, were directed to look into the possibility of downgrading the security classification of this study.

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3. Discussion: [REDACTED] reported the completion of EIC-R-1 as a "successful operation," and indicated that it had been favorably received by the IAC [REDACTED] An extract from the IAC Minutes of 20 March 1952 (IAC-M-65) was read by [REDACTED]

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"There was general satisfaction expressed with the tenor and results of the discussions [REDACTED] The Economic Intelligence Committee was commended for its work."

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4. It was reported that the only major point which had not been resolved during the joint meetings was the question of the amount of

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cargo moving in junks and river vessels from Hong Kong to Communist China. State, Navy [REDACTED] have all agreed to send copies of the joint report (EIC-R-1) to their representatives in Hong Kong with a request that they look into this question.

5. It was reported that additional copies of EIC-R-1 are being reproduced and will be available within a few weeks for distribution on a need-to-know basis.

6. Cdr. Deane, Navy, understood that the Economic Defense Staff of the State Department would like to have the security classification of the study downgraded to Secret.

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COORDINATION OF [REDACTED] ECONOMIC INTELLIGENCE ON FRENCH INDOCHINA AND BURMA

7. Action: It was agreed that CIA would draw up ten questions calling for factual intelligence on French Indochina and ten on Burma. These questions are to be submitted to the IAC representatives of the EIC for their review and suggestions prior to [REDACTED]

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8. It was the sense of the meeting that the question of whether or not this matter should be referred to the IAC would be held in abeyance until an agreed US list of questions has been prepared. At that time the EIC members concerned will have a clearer idea of what is involved and will be able to determine whether any useful purpose can be served by a referral to the IAC.

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10. Mr. Amory noted that ORR does not have primary responsibility for economic intelligence on either of the geographic areas involved. The answers, therefore, must either (a) be prepared by other agencies or (b) be derived by ORR from papers already published by other agencies. In the latter case, of course, ORR's derivation would be submitted for review to the appropriate agency. This problem of how the answers are to be prepared will be discussed at a later meeting. Since ORR had already undertaken to prepare the questions it was agreed that they would be submitted to the interested agencies for review and comment [REDACTED]

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CONSIDERATION OF A COMPREHENSIVE LIST OF EIC SUBCOMMITTEES

11. Action: It was decided that the Secretariat should obtain information from the members of the EIC Working Group on the JIC Capabilities Study regarding the subject areas in which they feel there is a need to establish subcommittees. In addition, the Secretariat is to solicit the views of the EIC members. The Secretariat is then to submit a revised proposal to the EIC.

25X1A9a 12. Discussion: A paper on proposed EIC Subcommittees had been distributed to Committee members for their review prior to the meeting. [REDACTED] explained that it was not intended to develop a master plan for subcommittees at the meeting or to decide which subcommittees would be set up in the near future, but rather that there should be a general discussion of the whole subcommittee picture to get a rough idea of the subject areas the EIC wants to include with some indication of how these areas can best be covered.

13. Seven subject areas for which the EIC does not already have subcommittees established were listed in the paper distributed to Committee members. These areas included: (1) Industrial Machinery and Equipments, (2) Electronics and Telecommunications, (3) Electric Power, (4) Metals and Minerals, (5) Solid Fuels, (6) Consumer Goods, and (7) Military End-Items. The Committee discussed the questions of whether the subject areas were properly grouped and whether subcommittees would actually be required for each area named.

CONSIDERATION OF A TRANSPORTATION SUBCOMMITTEE PROPOSAL RE THE SHIPPING STUDY FOR NIE-59

14. Action: The Executive Secretary was directed to notify the Subcommittee on Transportation that it is to organize a working group to do the additional work required to satisfy the Department of State's requirements for a study on the impact of shipping controls on Western Europe and the Soviet Bloc. 25X1A9a

25X1X7 15. Discussion: [REDACTED] explained that, although Navy had agreed earlier that it would follow as closely as possible the requirements of State for a study on the impact of shipping controls on Western Europe and the Soviet Bloc while preparing its contribution to NIE-59, the preparation of the [REDACTED] paper on Trade Controls Against Communist China had interfered. Consequently Navy would not be able to meet the NIE-59 deadline if it tried to meet the detailed requirements in State's outline.

16. Cdr. Deane, Navy, suggested that a Working Group be established to take the Navy contribution to NIE-59 and supplement it with the additional intelligence required by State insofar as the material is available.

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He stated that a tentative target date of 1 June 1952 would probably be realistic for the completion of such a report.

APPROVAL OF THE TERMS OF REFERENCE FOR THE SUBCOMMITTEE ON INTERNATIONAL TRADE AND FINANCE

17. Action: The proposed terms of reference of the Subcommittee on International Trade and Finance were approved.

ANNOUNCEMENT OF NEW EIC MEMBERS AND PROPOSED EIC SUBCOMMITTEE MEMBERS

18. Action: The following new EIC members were announced to the Committee by the Chairman:

Morris J. Fields
Chief, Commercial Policy and
United Nations Division
Office of International Finance
Treasury Department
(to replace Mr. James E. Wood)

Arthur F. Blaser, Jr.
Office of International Finance
Treasury Department
(alternate to Mr. Fields)

Paul Ledet
Acting Deputy for Research
Target Research Branch
AFOIN, Department of the Air Force
(to replace Edward Allen)

19. Nominations for membership on EIC Subcommittees were presented for approval as follows:

Subcommittee on International Trade and Finance

Morris J. Fields
Chief, Commercial Policy and
United Nations Division
Office of International Finance
Treasury Department

Arthur F. Blaser, Jr.
Office of International Finance
Treasury Department
(alternate to Mr. Fields)

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Subcommittee on Requirements and Facilities for Collation

Lt. Col. J. W. A. Whitehorne
Chief, Collection and Evaluation
Section
Department of the Army
(to replace John F. Kullgren)

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ANNOUNCEMENT OF THE NEW CHAIRMAN OF THE EIC

20. Action: [REDACTED] announced that Mr. Robert Amory, Jr. had been officially designated to succeed him as the Assistant Director for Research and Reports in CIA and as Chairman of the Economic Intelligence Committee.

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[REDACTED]
Executive Secretary
Economic Intelligence Committee

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